

## Request for Council Action

Originator Port Authority	Item <b>First Amendment to Business Subsidy Agreement – Polar Semiconductor, Inc. for Hennepin County funds</b>
Agenda Section Consent	Date 2/23/2015

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**Description**

The City Council is requested to approve the first amendment to the business subsidy agreement between the City and Hennepin County for Transit Oriented Development (TOD) grant funds. In 2011, the City applied for and received TOD funds to build a new sanitary sewer in 28<sup>th</sup> Avenue to accommodate the Polar Semiconductor (Polar) expansion. At the time of the expansion, the sanitary sewer project only benefited Polar and therefore was considered a business subsidy under Minnesota Statute 116J.993. The statute required the City approve a business subsidy agreement with the business, which provided the basis for the subsidy.

A Business Subsidy Agreement and grant agreement for the Hennepin County funds was executed in July, 2011. The original subsidy agreement was amended in May, 2012 to correctly identify the benefit date to reflect when the project was scheduled to be occupied. Polar was required to retain 540 jobs and create 100 jobs by the second anniversary of the benefit date per Minnesota Statute.

Polar Semiconductor was able to retain 540 jobs and create 96 jobs by the compliance date in 2014. Staff contacted our Hennepin County staff representative regarding the subsidy agreement. The representative stated he would write a letter indicating Hennepin County considers the job creation goal to be met and will not seek any reimbursement for the grant monies used for the sanitary sewer improvement.

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**Requested Action**

The Council is requested to adopt the resolution approving the first amendment to the amended and restated Business Subsidy Agreement between the City and Polar Semiconductor, Inc. to modify the job creation goal for the Hennepin County grant.

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**Attachments:**

First Amendment to Business Subsidy Agreement between Polar Semiconductor and the City for Hennepin County grant funds

Resolution Approving Amendments to Business Subsidy Agreements between the City of Bloomington and Polar Semiconductor